

NOTICE OF COMPETITIVE LEASE SALE

Oil and Gas

Notice is hereby given that on **June 29, 2000**, the U.S. Department of the Interior, Bureau of Land Management, Eastern States, will offer for competitive sale, pursuant to 43 CFR Part 3120 and procedures therein, certain Federal lands for oil and gas leasing.

LOCATION: The sale will be held in the Conference Room at Eastern States, 7450 Boston Boulevard, Springfield, Virginia 22153. You or your authorized representative must be present to bid. A list of local hotels and is included in this package.

TIME OF SALE/REGISTRATION: The competitive sale will commence at 10:00 a.m. on June 29, 2000. The sale room will be open to the public at 9:00 a.m. to allow each interested party time to register and obtain a bidding number from authorized Bureau Personnel.

Parcels are identified as follows:

ES-001 thru ES-026 Alabama
ES-027 thru ES-028 Arkansas
ES-029 thru ES-031 Louisiana
ES-032 thru ES-064 Mississippi
ES-065 thru ES-065 New York
ES-066 thru ES-080 Ohio

PRESALE LEASE OFFERS: Please note that any parcels marked with an asterisk (*) will be issued to the applicant who has offered to lease the lands noncompetitively if no competitive bid is received. *Priority of presale offers received shall be determined as of the time and date the offer is filed in the proper BLM State Office.* Additional noncompetitive offers may be filed on such lands following the oral auction, such offers will not have priority over those filed prior to the posting of this Notice of Competitive Lease Sale.

TERMS OF LEASE: Leases awarded as a result of this oral auction will be for a primary term of 10 years, and so long thereafter as there is production in paying quantities. The royalty will be at a flat rate of 12½ percent of the value or the amount of production removed or sold from the lease. Other terms of the lease are specified on the standard lease (Form 3100-11, October 1992 edition).

OTHER CONDITIONS: Specific surface use stipulations, where applicable, are specified for each parcel in this Notice of Competitive Lease Sale. Such stipulations shall become part of the lease and shall supersede any inconsistent provisions of the lease form. General surface use requirements are contained in law and regulation. The applicable stipulation(s) is indicated in the description of the parcel. All Forest Service parcels may be subject to Lease Notice 3 and/or 4.

MINIMUM BID: The minimum acceptable bonus bid will be the lump sum equivalent of \$2 per acre or fraction thereof.

METHOD OF BIDDING: All bids shall be made orally and be based on a per acre basis for the entire acreage in the parcel and not on the total bid amount. The bid must be rounded up to the

next whole acre if fractional acreage is involved, e.g., a parcel of 644.38 acres will require a minimum bid of at least \$1,290 (\$2 X 645 acres) to open the bidding process.

FRACTIONAL INTERESTS: For some of the parcels, as indicated in the list, the United States holds less than 100% of the oil and gas rights. Any lease issued will be only for the percentages or fractions indicated. However, bonus bids and rentals for such parcels shall be based on the gross acreage in the parcel, not the net U.S. interest. Acreage chargeability and production royalty are, in contrast, calculated on the net U.S. interest.

ORDER OF SALE: Parcels will be offered for oral bid in the order indicated in this Notice.

RIGHT TO WITHDRAW PARCELS FROM SALE: The Bureau of Land Management (BLM) reserves the right to withdraw any or all of the parcels from sale prior to or at the oral auction. In the event of cancellation of the sale, every effort will be made to give appropriate notice to all interested parties. If and when any individual parcels are withdrawn, notice thereof will be posted in the public room at 7450 Boston Boulevard, Springfield, Virginia 22153. You may also obtain the numbers of withdrawn parcels by telephoning (703) 440-1601 or (703) 440-1602 from 8:00 a.m. to 4:30 p.m., Monday through Friday, except Federal Holidays.

DETERMINATION OF WINNING BID: A winning bid will be the highest oral bid, equal to or exceeding the national minimum acceptable bid specified above. The decision of the auctioneer shall be final.

PAYMENT OF BONUS BID, RENTAL AND ADMINISTRATIVE FEE: Winning bidders shall be required to make payment for the parcel on the day of the oral auction for a total amount consisting of: (1) a bonus bid deposit of at least \$2 per acre or fraction thereof; (2) the total amount of the first year's annual rental, at a rate of \$1.50 per acre or fraction thereof; and (3) an administrative fee of \$75 per parcel. This amount must be tendered at the auction after the close of the oral auction. The entire amount due may be paid at this time. Any unpaid balance of the bonus bid must be received at the Eastern States Office by the tenth working day following the close of the oral auction, which is July 13, 2000 or all monies held by BLM and the right to issuance of the lease shall be forfeited. Any entity who forfeits the right of issuance of a lease (failure to submit the remaining monies due) on three occasions is prohibited from bidding at any future sale under the jurisdiction of Eastern States. Any parcel so forfeited may be reoffered by BLM competitively at a later oral auction. Successful bidders for the future interest parcels are subject to these same conditions except (2) above in that no rental or royalty shall be due to the United States prior to the vesting of the oil and gas rights in the United States.

FORM OF PAYMENT: Payment shall be made by personal check, certified check, money order (SUCH FORMS OF PAYMENT MUST BE MADE PAYABLE TO THE DEPARTMENT OF THE INTERIOR-BLM) or by CREDIT CARD (VISA, MASTERCARD, AMERICAN EXPRESS AND DISCOVER ACCEPTED ONLY). Payment by cash will NOT be accepted.

BID FORM REQUIRED; AVAILABILITY: Pursuant to 43 CFR 3120.5, successful high bidders will be required to submit, along with the required payments for each parcel on the day of the oral auction of such parcel a properly signed current competitive lease bid form (Form 3000-2, May 1994 edition), which is a legally binding offer by the prospective lessee to accept a lease to the terms and conditions specified herein for the parcel and on the standard lease form (Form 3100-11, October 1992 edition). Form 3000-2 may be obtained and executed by the prospective lessee or an authorized representative PRIOR to the oral auction. If the bid form is fully completed before the oral auction, it cannot be modified; portions of the form may be left blank to be completed by the bidder at the auction. If the bid form is not executed prior to the oral

auction, the prospective lessee shall be required to complete and sign the bid form at the auction when the payment is tendered. Form 3000-2, when completed, certifies compliance with lessee qualifications (See 43 CFR 3102.5-2) and also certifies compliance with 18 U.S.C. 1860, which prohibits unlawful combination or intimidation of bidders and certifies that the bid was arrived at independently without unlawful collusion.

AWARD/ISSUANCE OF LEASES: Prospective lessees are advised that leases may be issued, upon signature by the authorized officer, without further action on their part, once all remaining bonus bid monies are timely received. The effective date of the lease shall be the first day of the month following the execution of the lease form by the authorized officer, except that leases may, upon written request from the lessee received prior to signature on the lease by the authorized officer, be effective the first day of the month in which issued.

UNSOLD PARCELS: Parcels contained in this Notice of Competitive Lease Sale for which no bids are received at the oral auction and which have not been withdrawn from the sale by BLM will be available for regular noncompetitive lease offer in accordance with 43 CFR Subpart 3110 for a two-year period commencing at 8:00 a.m., June 30, 2000. All noncompetitive offers received on that first business day following the auction will be considered simultaneously filed. Offers received thereafter shall receive priority as of the date and time of filing, as specified in 43 CFR 1821.2-3(a). If any lands in the parcel are subject to a proper offer such offers shall have priority for issuance of a lease on the affected lands over any offers filed subsequent to the oral auction. Noncompetitive offers filed on the first business day following the close of the oral auction or during the remainder of that month must describe the lands, as set forth at 43 CFR 3110.5-1, solely by the single parcel number appearing in this Notice of Competitive Lease Sale. Any such offer constitutes consent by the offeror to the terms and conditions, including stipulations, set out for the parcel in this Notice of Competitive Lease Sale. Offerors submitting a lease form not currently in use are deemed to consent to the terms and conditions, including but not limited to rentals and royalties, of the current lease form. Leases may be issued to an offeror without further notice. All noncompetitive offers must be accompanied by the total of (1) the \$75 nonrefundable filing fee and (2) the first-year advance rental of \$1.50 per acre or fraction thereof as indicated in the list herein. All filing fees are nonrefundable, whether or not a lease is ultimately issued to the offeror or any other party.

BLM personnel will be accepting noncompetitive offers on unsold parcels in the accounting office at Eastern States on June 30, 2000, until 4:30 p.m.

All noncompetitive offers filed on June 29, 2000 will be considered simultaneously filed and have a filing date of June 30, 2000.

PUBLIC NOTICE

Generally, for lands to be considered for inclusion in a sale, the expression of interest or presale offer must be received 6 months to one year prior to a sale date. We may not be able to parcel blanket requests for inclusion in one sale. Please, prioritize large requests so we can better meet your needs. The following is a tentative schedule of sale dates for the 2000 calendar year:

September 21, 2000
December 14, 2000

Bidders are reminded that a bid shall not be withdrawn and shall constitute a legally binding commitment to execute the lease bid form and accept a lease, including the obligation to pay the bonus bid, first year's rental, and administrative fee. There have been cases in past oral auctions where the minimum deposit due from the high bidder on the day of the auction was not paid, or was paid by a check drawn on an account with insufficient funds. The Bureau of Land Management will be closely monitoring situations of this nature to determine whether further measures should be initiated to protect the integrity of the system.

NOTE: SHOULD ASSISTANCE BE NEEDED FOR THE HEARING OR VISUALLY IMPAIRED, PLEASE CONTACT EASTERN STATES AT (703) 440-1546 BY May 29, 2000. SALE SITE IS ACCESSIBLE TO EVERYONE.

HOTEL INFORMATION

Springfield Hilton
6550 Loisdale Court
Springfield, Virginia
(703) 971-8900

Holiday Inn
6401 Brandon Avenue
Springfield, Virginia
(703) 644-5555

Best Western
6550 Loisdale Court
Springfield, Virginia
(703) 922-9000

Days Inn
6721 Commerce Street
Springfield, Virginia
(703) 922-6100

Ramada Plaza Hotel
4641 Kenmore Avenue
Alexandria, Virginia
(703) 751-4510
Hotel shuttle to National Airport and Metro Subway

***PLEASE COMPLETE ONE FORM FOR EACH COMPANY AND/OR
INDIVIDUAL YOU ARE REPRESENTING AND BRING TO THE SALE
LOCATION TO SPEED PROCESSING OF REGISTRATION***

REGISTRATION FORM

BIDDER NO. _____
(Leave Blank)

NAME: _____

BUSINESS PHONE: _____

BUSINESS ADDRESS: _____

CITY: _____

STATE: _____ **ZIP CODE:** _____

**THE LESSEE MUST BE QUALIFIED TO HOLD
A FEDERAL OIL AND GAS LEASE.**

SIGNATURE

DATE

**A COPY OF THE LEASE AND ALL BILLING NOTICES WILL BE SENT TO THE
NAME AND ADDRESS OF THE LESSEE AS SHOWN ON FORM 3000-2 (BID FORM).**

Intentionally Blank

PUBLIC DOMAIN

ES-001 06/00 ALES 50674 PD

Alabama, Escambia County, Conecuh N.F.

T1N, R13E, St. Stephens Meridian

Sec. 2, SWNW, NESW.

81.140 Acres

\$123.00 Rental

Subject to F.S. Lease Notice No. 3 and 4

ACQUIRED

ES-002 06/00 ALES 50675 ACQ

Alabama, Escambia County, Conecuh N.F.

T1N, R12E, St. Stephens Meridian

Sec. 12, That part of Tract 5 lying south & east of Bagdad Land & Lumber Co. R.R.
R/W in Sec. 12;

Sec. 13, E2NE, E2E2, SWSE, and that part of W2NE and NWSE lying south & east
of Bagdad Land & Lumber Co. R.R. R/W in Sec. 13;

Sec. 14, That part of Tract 10 lying south of Road 22 in Sec. 14.

329.190 Acres

\$495.00 Rental

Subject to F.S. Lease Notice No. 3 and 4

ES-003 06/00 ALES 50676 ACQ

Alabama, Escambia County, Conecuh N.F.

T1N, R12E, St. Stephens Meridian

Sec. 22, That part of Tract 10 lying east of Road 22 in Sec. 22;

Sec. 23, Part of section 23 described as follows: Beginning at the Northeast corner of
Sec. 23; thence S 0E 30' W, 80.01 chains; thence S 87-3/4E W, 79.46 chains; thence N
70.00 chains to the East boundary of the old railroad right of way; thence along the
East boundary of the old railroad right of way, N 54-3/4E E, 5.55 chains; thence N 59-
3/4E E, 6.00 chains; thence N 65-1/4E E, 4.00 chains; thence N 68E E, 4.00 chains;
thence N 74-1/4E E, 4.00 chains; N 76-1/4E E, 8.70 chains to a point on the North
boundary of Sec. 23; thence East 49.56 chains to the Point of Beginning.

778.910 Acres

\$1,168.50 Rental

Subject to F.S. Lease Notice No. 3 and 4

ES-004 06/00 ALES 50677 ACQ

Alabama, Escambia County, Conecuh N.F.

T1N, R12E, St. Stephens Meridian

Sec. 24, N2NE, SENE, NENW, S2NW, S2.

556.220 Acres

\$835.50 Rental

Subject to F.S. Lease Notice No. 3 and 4

ES-005 06/00 ALES 50678 ACQ

Alabama, Escambia County, Conecuh N.F.

T1N, R12E, St. Stephens Meridian

Sec. 25, E2, E2NW, SW.

556.500 Acres

\$835.50 Rental

Subject to F.S. Lease Notice No. 3 and 4

ACQUIRED

ES-006 06/00 ALES 50679 ACQ

Alabama, Escambia County, Conecuh N.F.

T1N, R12E, St. Stephens Meridian

Sec. 26, NENW NWNE, excepting 9.23 ac. quitclaimed to Allen Fuqua, SENE,
W2SENW, W2NW, S2.

530.570 Acres

\$796.50 Rental

Subject to F.S. Lease Notice No. 2, 3 and 4

ES-007 06/00 ALES 50680 ACQ

Alabama, Escambia County, Conecuh N.F.

T1N, R12E, St. Stephens Meridian

Sec. 27, That part of Tract 10 lying east of Road 22 in Sec. 27;

Sec. 34, 337.87 ac., more or less described as follows: Beginning at the NE corner of Section 34, thence S 1E 6' E, 67.36 chains; thence S 89-1/4E W, 40.08 chains; thence north 1.00 chain; thence west 16.67 chains to E boundary of old R/W, thence along E boundary of old railroad R/W N 25-3/4E E, 10.58 chains, thence N 22-1/4E E 2.89 chains; thence N 18-1/4E E, 4.06 chains; thence N 11-3/4E E, 4.76 chains; thence N 6-1/4E E, 4.67 chains; thence N 1-1/2E W, 6.36 chains; thence N 7-1/2E W, 3.58 chains; thence N 7-3/4E W, 31.92 chains; thence E 52.00 chains to point of beginning EXCEPT the Alaflora Church lot situated in the NENW, Section 34, more particularly described as follows: Begin at the NW corner of NENW; thence E with the north boundary line thereof a distance of 10.64 chains to a point; thence with the west line of a street S 07E E, 7.76 chains to the point of beginning; thence S 07E E, 4.24 chains to a point; thence N 83E E, 7.73 chains; thence N 07E W, 4.24 chains; thence S 83E W, 7.73 chains to the point of beginning, containing 3.28 acres, more or less;

Sec. 35, All;

Sec. 36, All.

2,010.230 Acres

\$3,016.50 Rental

Subject to F.S. Lease Notice No. 2, 3 and 4

ES-008 06/00 ALES 50681 ACQ

Alabama, Escambia County, Conecuh N.F.

T1N, R13E, St. Stephens Meridian

Sec. 2, E2, E2NW, NWNW, NWSW, S2SW.

567.910 Acres

\$852.00 Rental

Subject to F.S. Lease Notice 3 and 4

ES-009 06/00 ALES 50682 ACQ

Alabama, Escambia County, Conecuh N.F.

T1N, R13E, St. Stephens Meridian

Sec. 3, N2, N2SE.

403.200 Acres

\$606.00 Rental

Subject to F.S. Lease Notice No. 3 and 4

ES-010 06/00 ALES 50683 ACQ

ACQUIRED

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 4, W2NE, W2, W2SE, SESE
Sec. 5, S2NE, E2SW, N2SE;
Sec. 7, Pt. of SWNW, NENW & NENW lying south & east of Bagdad
Land & Lumber Co. R.R. R/W, S2NE, SENW, S2.
1,125.980 Acres
\$1,689.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-011 06/00 ALES 50684 ACQ

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 8, All;
Sec. 9, E3/4, W2NW.
1,207.100 Acres
\$1,812.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-012 06/00 ALES 50685 ACQ

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 10, All.
640.000 Acres
\$960.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-013 06/00 ALES 50686 ACQ

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 11, All.
643.600 Acres
\$966.50 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-014 06/00 ALES 50687 ACQ

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 12, W2NE, SENE, NW, S2.
597.150 Acres
\$897.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-015 06/00 ALES 50688 ACQ

ACQUIRED

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 13, N2NW excepting 4.85 ac. quitclaimed to Elmer Beasley on lower
property line;
Sec. 14, SWNE, W2NW, NESE.
233.3100 Acres
\$351.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-016 06/00 ALES 50689 ACQ

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 15, All.
640.240 Acres
\$961.50 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-017 06/00 ALES 50690 ACQ

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 17, All.
644.000 Acres
\$966.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-018 06/00 ALES 50691 ACQ

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 18, All.
644.000 Acres
\$966.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-019 06/00 ALES 50692 ACQ

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 19, All.
643.600 Acres
\$966.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-020 06/00 ALES 50693 ACQ

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 20, All.
642.000 Acres
\$963.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-021 06/00 ALES 50694 ACQ

ACQUIRED

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 21, All,
Sec. 22, NENW, W2W2.
839.600 Acres
\$1,260.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-022 06/00 ALES 50695 ACQ

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 28, NE, E2W2, NWNW, SWSW, N2SE, SWSE.
519.935 Acres
\$780.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-023 06/00 ALES 50696 ACQ

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 29, All.
640.000 Acres
\$960.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-024 06/00 ALES 50697 ACQ

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 30, N2, W2NWSW, excepting .53 ac. quitclaimed to Angus Adams, E2W2SE, E2SE.
460.6200 Acres
\$691.50 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-025 06/00 ALES 50698 ACQ

Alabama, Escambia County, Conecuh N.F.
T1N, R13E, St. Stephens Meridian
Sec. 31, E2NE, SWNW, less 3.58 ac. quitclaimed to Mrs. Clara Brake;
Sec. 32, N2, E2SW, NWSW, SE;
Sec. 33, All of E2SW except 669 ac. quitclaimed to Claude A. Crosby in NESW.
Subject to F.S. Lease Notice No. 3 and 4
829.730 Acres
\$1,245.00 Rental

ES-026 06/00 ALES 50699 ACQ

ACQUIRED

Alabama, Escambia County, Conecuh N.F.
T2N, R14E, St. Stephens Meridian
Sec. 13, N2.
300.240 Acres
\$451.50 Rental
Subject to F.S. Lease Notice No. 3 and 4

NATIONAL FORESTS IN ALABAMA

LEASE NOTICE NO. 2

No surface occupancy or use is allowed on the lands described below (legal subdivision or other description).

Brooks Hines Lake located in Township 1 North,
Range 12 East, Section 22, E2E2;
Section 23, All; Section 26, N2NW;
Section 27, NENE

For the purpose of:

Meeting the management guidelines of the Land and Resource Management Plan for the National Forests in Alabama.

Any changes to this stipulation will be made in accordance with the lands use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

NATIONAL FORESTS IN ALABAMA

LEASE NOTICE NO. 3

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the correct Regional Forester's List of Sensitive Plant and Animal Species. Further information concerning the classification of these species may be obtained from the authorized Forest Officer.

Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it thence exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines.

LEASE NOTICE NO. 4

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Further information concerning the classification of these lands may be obtained from the authorized Forest office.

All activities within these areas must be conducted in a manner to minimize adverse impacts to the resource values and in accordance with the Forest Land and Resource Management Plan guidelines.

**STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF DEPARTMENT OF AGRICULTURE**

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the license/prospecting permit/lease. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor, NFs in Alabama
2946 Chestnut Street
Montgomery, Alabama 36107
Phone Number: (334) 241-8100

who is the authorized representative of the Secretary of Agriculture.

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BLM Field Office
Bureau of Land Management
Jackson Field Office
411 Briarwood Drive, Suite 404
Jackson, Mississippi 39206

Surface Management Agency
USDA, Forest Service - Region 8
Room 792 South, Lands & Minerals
1720 Peachtree Road, N.W.
Atlanta, Georgia 30367

ACQUIRED

ES-027-06/00 ARES 50700 ACQ

Arkansas, Logan County, Ozark N.F.
T7N, R23W, 5th Principal Meridian
Sec. 14, S2NE, SENW, NESE.
200.000 Acres
\$300.00 Rental

ES-028-06/00 ARES 50701 ACQ

Arkansas, Logan County, Ozark N.F.
T6N, R25W, 5th Principal Meridian
Sec. 2, NENE.
45.280 Acres
\$69.00 Rental

**STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF DEPARTMENT OF AGRICULTURE**

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the license/prospecting permit/lease. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor, Ozark-St. Francis National Forests
605 West Main Street
Russellville, AR 72801-3614
Telephone: (501) 968-2354

who is the authorized representative of the Secretary of Agriculture.

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BLM Field Office

Bureau of Land Management
Jackson Field Office
411 Briarwood Drive, Suite 404
Jackson, Mississippi 39206

Surface Management Agency

USDA, Forest Service - Region 8
Room 792 South, Lands & Minerals
1720 Peachtree Road, N.W.
Atlanta, Georgia 30367

ES-029-06/00 LAES 50702 PD

Louisiana, St. Bernard Parish, BLM
T14S, R16E, St. Helena Meridian
Sec. 13, N2SW.
80.000 Acres
\$120.00 Rental
Subject to BLM No Surface or Subsurface Occupancy Stipulation

ES-030-06/00 LAES 50703 PD

Louisiana, St. Bernard Parish, BLM
T15S, R16E, Lafourche Parish, St. Helena Meridian
Sec. 153, All.
5.560 Acres
\$9.00 Rental
Subject to BLM No Surface or Subsurface Occupancy Stipulation

ES-031-06/00 LAES 50704 PD

Louisiana, Webster Parish, BLM
T17N, R10W, Louisiana Meridian
Sec. 32, Lots 1 and 2.
80.600 Acres
\$121.500 Rental
Subject to BLM No Surface or Subsurface Occupancy Stipulation

BLM NO SURFACE OR SUB-SURFACE OCCUPANCY STIPULATION

No Occupancy (surface or sub-surface) is allowed on the lands described below unless application by letter for a waiver (as defined below) is made that demonstrates that surface or sub-surface occupancy on the leasehold is necessary to produce the lease, consent is given by the Surface Management Agency, if applicable, and subsequent planning analysis/environmental assessment (PA/EA) shows that surface or sub-surface occupancy, as requested, would not result in unacceptable adverse impacts to the environment, as determined by the Authorized Officer.

Waiver: A waiver from this lease stipulation may be granted for all or portion of this lease. Prior to granting any waiver, a PA/EA documentation must be completed for the entire lease based on a Reasonably Foreseeable Development Scenario (RFDS). The analysis must consider past, present, and reasonable foreseeable impacts on the lease and adjacent areas. With the consent of the Surface Management Agency, if applicable, a waiver of the stipulation may be granted for those portions of the lease identified as not containing sensitive or important historic, cultural, and scenic values, fish or wildlife resources or their habitat or other important or sensitive natural systems, processes or human values. Should a waiver be granted for all or a portion of this lease, the lease may be subject to Corps of Engineers special surface use stipulations.

Exception: None.

Modification: None.

LEASE NOTICE

This lease does not obviate the need to obtain other Federal, State, or local authorization required by law.

PUBLIC DOMAIN

PUBLIC DOMAIN

ES-032-06/00 MSES 50705 PD

Mississippi, George County, BLM

T3S, R9W, Washington Meridian

Sec. 1, SWNW.

40.000 Acres

\$60.00 Rental

Subject to BLM No Surface or Subsurface Occupancy Stipulation

ES-033-06/00 MSES 50706 PD

Mississippi, Harrison County, DeSoto N.F.

T5S, R11W, St. Stephens Meridian

Sec. 1, NENW.

39.500 Acres

\$60.00 Rental

Subject to F.S. No Surface Occupancy Stipulation No. 2 and Lease Notice No. 2, 3 and 4

ES-034-06/00 MSES 50707 PD

Mississippi, Wayne County, DeSoto N.F.

T6N, R7W, St. Stephens Meridian

Sec. 12, SWNW.

40.000 Acres

\$60.00 Rental

ACQUIRED

ES-035-06/00 MSES 50708 ACQ

Mississippi, Franklin County, Homochitto N.F.

T6N, R2E, Washington Meridian

Sec. 26, SENE, NESE.

(50% U.S. Mineral Interest Only)

81.128 Acres

\$123.00 Rental

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice No. 3 and 4

ES-036-06/00 MSES 50709 ACQ

Mississippi, Franklin County, Homochitto NF

T6N, R2E, Washington Meridian

Sec. 26, SWNE, NWSE.

81.128 Acres

\$123.00 Rental

(50% U.S. Mineral Interest Only)

Subject to F.S. Timing Limitation Stipulation No. 1 and Lease Notice No. 3 and 4

ES-037-06/00 MSES 50710 ACQ

Mississippi, Wayne County, DeSoto N.F.

T6N, R7W, St. Stephens Meridian

Sec. 11, NWNE, S2NE, W2, SE.

600.000 Acres

\$900.00 Rental

Subject to F.S. Lease Notice 3 and 4

ES-038-06/00 MSES 50711 ACQ

Mississippi, Wayne County, DeSoto N.F.

T6N, R7W, St. Stephens Meridian

Sec. 27, SENE, W2NW, NESW.

160.400 Acres

\$241.50 Rental

Subject to F.S. Lease Notice No. 3 and 4

ES-039 06/00 MSES 50712 ACQ

Mississippi, Wayne County, DeSoto N.F.

T6N, R7W, St. Stephens Meridian

Sec. 34, NWNE, S2NE, W2, N2SE, SWSE.

561.138 Acres

\$843.00 Rental

Subject to F.S. Lease Notice No. 3 and 4

ACQUIRED

ES-040-06/00 MSES 50713 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 1, All.
639.50 Acres
\$960.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-041-06/00 MSES 50714 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 2, N2NE, W2, W2SE.
481.050 Acres
\$723.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-042-06/00 MSES 50715 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 4, W2NE, NW, SW less a 1-acre exception in S2SW described as follows:
Beginning at a point 7.71 chains North of SE corner of SWSW of Section 4,
thence West 0.39 chains, thence North 3.17 chains, thence East 3.17 chains,
thence South 3.17 chains, thence West 2.78 chains to the point of beginning.
479.250 Acres
\$720.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-043-06/00 MSES 50716 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 5, NE, SWNW, SW, N2SE.
437.938 Acres
\$657.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-044-06/00 MSES 50717 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 5, SWSE (25% U.S. Mineral Interest Only).
39.813 Acres
\$60.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ACQUIRED

ES-045-06/00 MSES 50718 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 6, NWNE, S2N2, SW, W2SE, SESE.
475.280 Acres
\$714.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-046-06/00 MSES 50719 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 10, S2NW, N2SW, SWSW.
200.000 Acres
\$300.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-047-06/00 MSES 50720 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 13, All.
642.700 Acres
\$964.50 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-048-06/00 MSES 50721 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 19, All.
637.600 Acres
\$957.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-049-06/00 MSES 50722 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 20, All.
637.800 Acres
\$958.50 Rental
Subject to F.S. Lease Notice No. 3 and 4

ACQUIRED

ES-050-06/00 MSES 50723 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 22, All.
640.500 Acres
\$961.50 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-051-06/00 MSES 50724 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 23, NE, S2SE.
240.450 Acres
\$361.50 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-052-06/00 MSES 50725 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 24, All.
642.40 Acres
\$964.50 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-053-06/00 MSES 50726 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 26, NWNW, SWNW less a 10-acre rectangle strip on the West side.
69.938 Acres
\$105.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-054-06/00 MSES 50727 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 27, NENE, W2E2, W2, NESE.
560.000 Acres
\$840.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ACQUIRED

ES-055-06/00 MSES 50728 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 28, All.
640.000 Acres
\$960.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-056-06/00 MSES 50729 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 32, N2, SESW, N2SE.
438.970 Acres
\$658.50 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-057-06/00 MSES 50730 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 33, E2, N2NW, SWNW.
440.000 Acres
\$660.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-058-06/00 MSES 50731 ACQ

Mississippi, Wayne County, DeSoto N.F.
T6N, R8W, St. Stephens Meridian
Sec. 35, W2NE, NWNW, NESW, S2SW, W2SE.
320.000 Acres
\$480.00 Rental
Subject to F.S. Lease Notice No. 3 and 4

ES-059-06/00 MSES 50732 ACQ

Mississippi, Tishomingo County, COE
T4S, R9E, Chickasaw Meridian
Sec. 24, E2 (320.000 ac.);
Sec. 25, All within the boundaries of the Tennessee-Tombigbee Waterway Project
(320.000 ac.);
Sec. 36, E2NE (75.200 ac.).
715.200 Acres
\$1,074.00 Rental
Subject to COE Special Stipulation

ACQUIRED

ES-060-06/00 MSES 50733 ACQ

Mississippi, Tishomingo County, COE

T4S, R10E, Chickasaw Meridian

Sec. 18, All within the boundaries of the Tennessee-Tombigbee Waterway Project (111.000 ac.);

Sec. 19, All within the boundaries of the Tennessee-Tombigbee Waterway Project (627.300 ac.);

Sec. 20, All within the boundaries of the Tennessee-Tombigbee Waterway Project (102.800 ac.).

841,000 Acres

\$1,261.50 Rental

Subject to COE Special Stipulation

ES-061-06/00 MSES 50734 ACQ

Mississippi, Tishomingo County, COE

T4S, R10E, Chickasaw Meridian

Sec. 29, All within the boundaries of the Tennessee-Tombigbee Waterway Project (104.000 ac.);

Sec. 30, All within the boundaries of the Tennessee-Tombigbee Waterway Project (562.100 ac.);

Sec. 31, All within the boundaries of the Tennessee-Tombigbee Waterway Project (579.600 ac.).

1,245.700 Acres

\$1,869.00 Rental

Subject to COE Special Stipulation

ES-062-06/00 MSES 50735 ACQ

Mississippi, Tishomingo County, COE

T5S, R10E, Chickasaw Meridian

Sec. 5, All within the boundaries of the Tennessee-Tombigbee Waterway Project (216.000 ac.);

Sec. 6, All within the boundaries of the Tennessee-Tombigbee Waterway Project (325.000 ac.);

Sec. 7, Pt. E2NE lying within the boundaries of the Tennessee-Tombigbee Waterway Project
(11.450 ac.);

Sec. 8, NWNW (40.000 ac.).

841,000 Acres

\$1,261.50 Rental

Subject to COE Special Stipulation

ES-063-06/00 MSES 50736 ACQ

Mississippi, Harrison County, DeSoto NF

T6S, R10W, St. Stephens Meridian

Sec. 15, S2NW, NENW, S2NWNW, NENWNW.

150.094 Acres

\$226.50 Rental

Subject to F.S. No Surface Occupancy Stipulation No. 2 and Lease Notice No. 3 and 4

ACQUIRED

ES-064-06/00 MSES 50737 ACQ

Mississippi, Harrison County, DeSoto NF
T5S, R11W, St. Stephens Meridian

- Sec. 12, NESE & S2SE less the following described as: Beginning at the SE corner of NWSE said sec. 12 corner No. 1, thence N 00 degrees 33' E, 7.08 chains to corner No. 2; thence S 89 degrees 45' E, 0.60 chain to corner No. 3; thence S 00 degrees 33' W, 7.08 chains to corner No. 4; thence S 87 degrees 21' W, 7.70 chains to corner No. 5; thence N 00 degrees 37' E, 0.39 chain to corner No. 6; thence S 89 degrees 45' E, 7.08 chains to corner No. 1, the POB, containing 0.574 acre, being 0.424 acre in NESE & 0.15 acre in S2SE;
- Sec. 14, SWSE, less 11.48 acres described as: Starting at SE corner of SWSE and running N 3.03 chains for a POB, thence W 7.58 chains, thence N 15.15 chains; thence E 7.58 chains; thence S 15.15 chains to POB;
- Sec. 19, W2SESW;
- Sec. 23, NENW;
- Sec. 31, **N2SWSW, N2SW** less ROW of the G & SI RR containing 6.51 acres & is 200' wide, being 1.515 chains on each side of the following described centerline: Beginning at a point on the N boundary SW; which point is 16.32 chains E of the 1/4 section corner on the W boundary of sec. 31; thence along the centerline of said RR ROW S 8 degrees E 21.46 chains to a point on the S boundary N2SW, which point is E 19.30 chains from the SW corner of N2SW;

SESW less 200' ROW of the G & SI RR described as follows: Beginning on the W boundary of the ROW at the intersection of the S boundary at a point 1.37 chains E of the SW corner of the SESW; thence along the W boundary of the ROW N 8 degrees 00' W 9.46 chains to the W boundary of the SESW; thence with the same N 0 degrees 21' E 11.75 chains to the NW corner of the SESW; thence E 1.36 chains to the E boundary of the ROW; thence S 8 degrees E 21.32 chains to the S boundary; thence W 3.06 chains to the place of beginning, containing 5.49 acres and also less 1 acre in the SESW described as beginning at a point on the E boundary line of G & SI RR ROW N 29 degrees 30' E 7.20 chains from the SW corner of the SESW and which point lies N 8 degrees W 6.15 chains from the intersection of the E boundary line of the G & SI RR ROW with the S boundary line of the SESW; thence along the E boundary line of RR ROW N 8 degrees E 3.17 chains; thence W 3.17 chains, thence around the exception E 3.17 chains; thence S 8 degrees E 3.17 chains; thence W 3.17 chains to the place of beginning.

259.393 Acres

\$390.00 Rental

Subject to F.Ss No Surface Occupancy Stipulation No. 2A and Notice to Lessee No. 3 and 4

NATIONAL FORESTS IN MISSISSIPPI

LEASE NOTICE NO. 3

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the correct Regional Forester's List of Sensitive Plant and Animal Species. Further information concerning the classification of these species may be obtained from the authorized Forest Officer.

Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it thence exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines.

LEASE NOTICE NO. 4

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Further information concerning the classification of these lands may be obtained from the authorized Forest office.

All activities within these areas must be conducted in a manner to minimize adverse impacts to the resource values and in accordance with the Forest Land and Resource Management Plan guidelines.

NATIONAL FORESTS IN MISSISSIPPI

TIMING LIMITATION STIPULATION NO. 1

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

Site construction and drilling may be restricted during the wet season from 11/30 thru 3/31 depending on site specific conditions at the time the Application for Permit to Drill is filed.

On lands described below:

Entire Lease

For the purpose of (reasons):

Prevent excessive soil erosion and rutting resulting from construction activities during the wet season. Land and Resource Management Plan, National Forests in Mississippi, as amended, 9/85.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

NATIONAL FORESTS IN MISSISSIPPI

NO SURFACE OCCUPANCY STIPULATION NO. 2

No surface occupancy or use is allowed on the lands described below:

T5S, R11W, St. Stephens Meridian

Sec. 1: S2NE, NENW, SENW, S2.

Sec. 11: SENE, SE, E2SW, W2SW less 18.18 acres.

Sec. 12: NE, E2NW, N2NWSW, S2SW, NESW less 10.12 acres.

Sec. 14: N2, SW, N2SE, SESE, SWSE less 11.48 acres.

Sec. 15: SESE.

Sec. 23: NENE, NENW.

For the purpose of:

Protection of the Harrison Experimental Forest.

Land and Resource Management Plan, National Forests in Mississippi,
as amended, 9/85.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

NATIONAL FORESTS IN MISSISSIPPI

NO SURFACE OCCUPANCY STIPULATION NO. 2A

No surface occupancy or use is allowed on the lands described below:

T5S, R11W, St. Stephens Meridian
Sec. 31: SENW.

For the purpose of:

Protection of the Big Biloxi Recreation Area.
Land and Resource Management Plan, National Forests in Mississippi,
as amended, 9/85.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

CORPS OF ENGINEERS SPECIAL STIPULATION

1. That all rights under this lease are subordinate to the rights of the United States to flood and submerge the lands permanently or intermittently in connection with the operation and maintenance of:
Tennessee-Tombigbee Waterway.
 2. That the lessee shall not enter upon the surface of the leased lands any time for the purpose of mining, drilling, or searching for oil or the storage thereof and shall not construct any structure on nor alter the surface of the leased lands in any manner whatsoever without prior approval of the district Engineer, U.S. Army Engineer District, Mobile, or his duly authorized representative.
 3. All areas within 2,000 feet of any major structure, including, but not limited to the dam, spillway, or embankment are restricted areas. Drilling operations which would cause a bore hole to be within the restricted areas will not be permitted. The restricted areas are included in the lease for the sole purpose of becoming a part of a drilling unit so that the United States will share in the royalty of the unit.
 4. That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation, and maintenance of the Government's projects and to place improvements thereon, and to remove materials therefrom, including sand and gravel and other construction materia, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act witch may increase the cost of performing such work.
 5. That the United States shall not be responsible for damage to property or injuries to persons which may arise from or be incident to the use and occupation of said premises, or for damages to the property of the lessee, or for injuries to the person of the lessee (if an individual), or for damages to servants, or employees, or others who may be on said premises at their invitation or the invitation of any one of them arising from or incident to the flooding of the said premises by the Government or flooding from any other cause, or arising from or incident to any other Governmental activities; and the lessee shall hold the United States harmless from any and all such claims. The provisions of this stipulation shall not apply to such claims as are cognizable under the Federal Tort Claim Act, as amended.
 6. Address all matters relating to these special stipulations to:

District Engineer
U.S. Army Engineer District, Mobile
U.S. Army Corps of Engineers
P.O. Box 2288
Mobile, Alabama 36628-0001
- who is the authorized representative of the Department of the Army, or to such other representative as may from time to time be designated, provided that such designation shall be in writing and delivered to the lessee or his agent.
7. The Secretary of the Army or designee reserves the right to require cessation of operations if a national emergency arises or if the Army needs the leased property for a mission incompatible with lease operations. On approval from higher authority, the District Engineer will give the lessee written notice or, if time permits, request BLM to give notice of the required suspension. The lessee

agrees to this condition and waives compensation for any cost of loss of revenues associated with such cessation of operations.

8. If the District Engineer or the District Engineer's authorized representative discovers an imminent danger to safety or security which allows no time to consult BLM, that person may order such activities stopped immediately. The state BLM director will be notified immediately, will review the order, and will determine the need for further remedial action.

9. If contamination is found in the operating area, the operator will immediately stop work and ask the District Engineer or District Engineer's representative for help.

10. Lessee liability for damage to improvements shall include improvements of the Department of Defents.

11. Before beginning to drill, the lessee must consult with third parties authorized to use real estate in the leased area and must consider programs for which third parties have contractual responsibility.

12. A license to conduct geophysical tests on the leases area must be obtained separately from the District Engineer.

13. All of the provisions of the special stipulation shall apply only to the leased area, and shall not apply to operations on adjacent privately-owned mineral interests.

BLM NO SURFACE OR SUB-SURFACE OCCUPANCY STIPULATION

No Occupancy (surface or sub-surface) is allowed on the lands described below unless application by letter for a waiver (as defined below) is made that demonstrates that surface or sub-surface occupancy on the leasehold is necessary to produce the lease, consent is given by the Surface Management Agency, if applicable, and subsequent planning analysis/environmental assessment (PA/EA) shows that surface or sub-surface occupancy, as requested, would not result in unacceptable adverse impacts to the environment, as determined by the Authorized Officer.

Waiver: A waiver from this lease stipulation may be granted for all or portion of this lease. Prior to granting any waiver, a PA/EA documentation must be completed for the entire lease based on a Reasonably Foreseeable Development Scenario (RFDS). The analysis must consider past, present, and reasonable foreseeable impacts on the lease and adjacent areas. With the consent of the Surface Management Agency, if applicable, a waiver of the stipulation may be granted for those portions of the lease identified as not containing sensitive or important historic, cultural, and scenic values, fish or wildlife resources or their habitat or other important or sensitive natural systems, processes or human values. Should a waiver be granted for all or a portion of this lease, the lease may be subject to Corps of Engineers special surface use stipulations.

Exception: None.

Modification: None.

LEASE NOTICE

This lease does not obviate the need to obtain other Federal, State, or local authorization required by law.

ACQUIRED

ES-065-06/00 NYES 50738 ACQ

New York, Steuben County, Fish and Wildlife Service
Montezuma Wildlife Refuge

Tract 69;

Tract 69R;

Tract 69R-1.

172.400 Acres

\$259.50 Rental

No surface occupancy is permitted on the leased acreage. No waivers, exceptions, or modifications to this restriction will be considered. Subject to the following BLM Lease Notice.

BLM LEASE NOTICE

A portion of the lands in this parcel may be subject to forced pooling as a result of proceedings by the New York State Department of Environmental Conservation (NYSDEC), Division of Mineral Resources (DMR) for the Glades Corners Road Field. Portions of this parcel ultimately committed to the spacing units for the Covert #1 and #2 wells and the Kozak #1 well belonging to Columbia Natural Resources will require commitment to a Communitization Agreement (CA).

Unless prevented by law or litigation, the successful bidder for this parcel shall be required, within 30 days of lease issuance or a final decision by the State of New York in favor of the DMR's proposal (whichever comes later), to commit all relevant portions of this parcel to CA's whose boundaries coincide with spacing units, and reimburse each CA operator; the prorated share of the drilling, completion, and operating costs attributed to the portion of this lease contained within each CA. The lessee will in turn receive a proportionate share of the revenues from the production of communitized substances associated with each CA no earlier than the effective date of the Federal lease. The responsibility for successful negotiations between the Federal lessee and other non-Federal parties involved in the CA will rest solely with the potential Federal lessee.

Further information on DMR's forced pooling proposal and status of the pending decision can be obtained by calling the DMR at (518) 485-8466 or visiting the NYSDEC website at www.dec.state.ny.us.

ACQUIRED

ES-066-06/00 OHES 50739 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE)

Parcel 1, Tract Nos:

LLSD*	32.46
**A-121 less S 1.0 acre	47.9
A-122	25.2
A-128	25.75
A-129	3.75
A-130	1.0
A-132	58.1
A-140	59.5

**A-141 less 8.72 acres described as beginning at NW corner of TR A141, 400 ft E along the Northern Tract boundary, thence 950 ft due S, thence 400 ft W to the Western tract boundary, thence 950 ft N along the Western tract boundary to POB; 32.88

**A-142 less N 3.000 acres	14.06
A-144	18.0
A-146	39.08

*Lakeview Local School District

**(These lands within oil and gas lease OHES 43055, 12.7000 acres in Sec. 56, T5N, R3W, Connecticut Western Reserve Meridian)

357.680 Acres

\$537.00 Rental

Subject to COE Stipulations No. 1, 2, 3, 4, and 6, Subject to BLM Lease Notice No. 1

ES-067-06/00 OHES 50740 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE)

Parcel 2, Tract Nos:

A-123	7.2
A-124	110.4
A-125	42.6
*A-126 less 1.433 acres	77.067
A-127	6.2
A-133	0.25
A-134	0.5
A-135	5.5
A-136	0.75
*A-137 less 14.471 acres	51.759
A-138	72.5
A-139	80.0
A-145	5.6

(*These lands within oil and gas lease OHES 43055, 15.904 acres in Sec. 56, T5N, R3W, Connecticut Western Reserve Meridian)

460.326 Acres

\$691.50 Rental

Subject to COE Stipulations No. 1, 2, 4, and 6, Subject to BLM Lease Notice No. 1

ACQUIRED

ES-068-06/00 OHES 50741 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE)

Parcel 3, 1.433 acres lying in tract A-126*, 14.471 acres lying in tract A-137*.

(*These lands are within Communitization Agreement No. OHES 45411, T)

15.904 Acres

\$24.00 Rental

Subject to COE Stipulations No. 1, 2, 5, and 6, Subject to BLM Lease Notice No. 1.

ES-069-06/00 OHES 50742 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE) ES-000-06/00

Parcel 4, Tract Nos:

A-113	50.3
A-114	45.6
A-115	102.0
A-117	46.8
A-118	200.0
A-119	5.1

449.800 Acres

\$675.00 Rental

Subject to COE Stipulation No. 1, 2, and 6, Subject to BLM Lease Notice No. 1.

ES-070-06/00 OHES 50743 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE) Parcel 5, Tract Nos:

A-103	22.3
A-104	37.7
A-105	46.35
A-106	198.7
A-109	40.5
A-110	26.9
A-111	59.6

432.050 Acres

\$649.50 Rental

Subject to COE Stipulation No. 1, 2, and 6, Subject to BLM Lease Notice No. 1

ACQUIRED

ES-071-06/00 OHES 50744 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE) Parcel 6, Tract Nos:

B-218	66.1
B-217	205.3
B-216	124.5
B-219	5.0
B-223	117.6
B-222	101.3
B-226	52.2
B-221	65.6

737.600 Acres

\$1107.00 Rental

Subject to COE Stipulation No. 1, 2, and 6, Subject to BLM Lease Notice No. 1

ES-072-06/00 OHES 50745 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE)

Parcel 7, Tract Nos:

B-234	92.9
B-232	38.8
B-237	50.6
B-231	173.0
B-230	187.5
B-233	0.5

543.300 Acres

\$816.00 Rental

Subject to Stipulation No. 1, 2, and 6, Subject to BLM Lease Notice No. 1

ES-073-06/00 OHES 50746 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE) Parcel 8, Tract Nos:

B-206	51.7
B-207	61.5
B-209	145.5
B-210	72.0
B-211	55.9
B-212	27.7
B-213	29.5
B-214	146.5
B-215	52.3

642.600 Acres

\$964.50 Rental

Subject to Stipulation 1, 2, and 6, Subject to BLM Lease Notice No. 1

ACQUIRED

ES-074-06/00 OHES 50747 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE)

Parcel 9, Tract Nos:

B-203	35.5
B-204	77.7
B-208	89.2
C-336	44.4
C-337	92.8
C-341	19.5
C-342	39.2
C-343	3.2
C-344	68.1

469.600 Acres

\$705.00 Rental

Subject to Stipulation 1, 2, and 6, Subject to BLM Lease Notice No. 1

ES-075-06/00 OHES 50748 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE)

Parcel 10, Tract Nos:

B-201	69.2
B-202	55.8
B-205	103
C-334	78.0
C-335	102.3
C-338	90.0
C-339	60.8
C-340	68.0
C-345	83.8
C-346	51.0

761.900 Acres

\$1143.00 Rental

Subject to COE Stipulations No. 1, 2, and 6, Subject to BLM Lease Notice No. 1

ACQUIRED

ES-076-06/00 OHES 50749 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE)

Parcel 11, Tract Nos:

C-311	10.8
C-312	101.1
C-316	53.0
C-317	30.2
C-318	16.4
C-319	87.3
C-320	38.3
C-321	49.5
C-322	160.9
C-323	119.4
C-324	5.0
C-325	31.0
C-326	113.4
C-327	22.8
C-327-A	36.2
C-328	1.5
C-329	46.1
C-330	45.4
C-331	12.0
C-332	2.23
C-333	14.4

996.930 Acres

\$1495.50 Rental

Subject to COE Stipulations No. 1, 2, and 6, Subject to BLM Lease Notice No. 1

ES-077-06/00 OHES 50750 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE)

Parcel 12, Tract Nos:

C-301	38.7
C-302	5.22
C-303	114.7
C-304	26.4
C-305	111.0
C-306	173.6
C-307	0.45
C-308	14.0
C-309	7.6
C-310	10.7
C-313	48.0
C-314	18.0
C-315	35.3
D-448	107.5
D-449	218.0
D-451	42.7

ACQUIRED

D-455 2.5
974.370 Acres
\$1462.50 Rental
Subject to COE Stipulations No. 1 and 2, Lease Notice A

ES-078-06/00 OHES 50751 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE)
Parcel 13, Tract Nos:

D-429	76.5
D-430	107.4
D-431	29.7
D-432	109.5
D-433	19.8
D-434	14.5
D-435	69.3
D-436	69.85
D-437	55.7
D-438	51.5
D-439	18.1
D-440	73.2
D-441	12.0
D-443	33.4
D-444	22.3
D-446	167.3
D-447	197.5
D-450	94.6

1222.150 Acres
\$1834.50 Rental
Subject to COE Stipulations No. 1, 2, and 6, BLM Lease Notice No. 1

ES-079-06/00 OHES 50752 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE)
Parcel No. 14, Tract Nos:

D-401	147.8
D-402	44.7
D-403	10.0
D-404	13.6
D-405	75.1
D-414	79.5
D-415	55.8
D-416	67.8
D-417	137.6
D-418	32.3
D-426	68.0
D-427	99.5
D-428	32.25

ACQUIRED

E-522	33.4
E-522A	13.2
E-525	27.2
E-526	76.4
E-528	128
E-529	42.5
E-530	30.6
E-530A	4.9
E-532	92.7
E-533	212.7

1525.550 Acres

\$2289.00 Rental

Subject to COE Stipulations No. 1, 2, and 6, Subject to BLM Lease Notice No. 1

ES-080-06/00 OHES 50753 ACQ

Ohio, Trumbull County, Mosquito Lake and Dam Reservoir (COE)

Parcel 15, Tract Nos:

D-406	189.1
D-407	27.9
D-408	28.4
D-410	128.9
D-411	11.4
D-412	85.3
D-413	210.9
D-419	19.9
D-420	7.2
D-421	13.2
D-422	30.5
D-423	187.8
D-424	50.0
D-425	79.8
E-502	70.5
E-503	21.9
E-504	3.9
E-505	3.4
E-507	20.5
E-508	41.8
E-509	18.6
E-510	71.2
E-511	25.0
E-512	8.5
E-513	40.5
E-514	36.2
E-515	50.4
E-516	25.5
E-517	46.6
E-518	57.0

ACQUIRED

1611.800 Acres

\$2418.00 Rental

Subject to COE Stipulations No. 1, 2, and 6, Subject to BLM Lease Notice No. 1

Mosquito Creek Lake

Lease Stipulation No. 1

No surface occupancy is permitted for well sites or other permanent structures on COE lands. This restriction will not be waived, excepted, or modified. The COE may grant easements for buried pipelines on Federal lands on a case-by-case basis.

Lease Stipulation No. 2

No surface occupancy is permitted for well sites or other permanent structures on lands within 200 feet of the COE administrative boundary. This restriction may be waived for future wells which are proposed to be co-located on two existing well sites currently located within the 200 foot setback. Drilling operations would be prohibited between the Memorial Day and Labor Day week-ends at both of these sites.

Lease Stipulation No. 3

No surface occupancy is permitted for well sites or other permanent structures on the Lakeview Local School District property. This restriction will not be waived, excepted, or modified.

Lease Stipulation No. 4

No surface or subsurface occupancy is permitted for well sites or other permanent structures on tracts A-146 and A-138 west of the intersection of Warren-Meadville Road and State Route 305. Directional drilling from the surface of private property to extract Federal minerals from under the lake may be considered on a case-by-case basis in the low embankment areas west of tract A-146 and east of the intersection of Warren-Meadville Road and State Route 305.

Lease Stipulation No. 5

The lands included in this parcel are committed to Communitization Agreement (CA) OHES-45411. The successful bidder is required to submit an acceptable joinder to this CA within 90 days of lease issuance. The Federal lessee will be further required to pay to the working interest owners and lessees a negotiated, proportionate share of the drilling and production costs associated with the development and operation of the CA. The lessee will in turn receive a proportionate share of the revenues from the production of communitized substances associated with the CA as of the effective date of the Federal lease. The responsibility for successful negotiations between the Federal lessee and other non-Federal parties involved in the CA will solely rest with the Federal lessee and the non-Federal parties.

Mosquito Creek Lake

Lease Stipulation No. 6

No drilling or other surface disturbance will be permitted within 200 feet of a Corps of Engineers' (COE) developed recreation area unless otherwise approved by the Bureau of Land Management (BLM) in consultation with the COE (Standard Army Mineral Lease Stipulation # 14).

No surface occupancy will be permitted within 200 feet of the meander line of a perennial stream in a zone extending out 200 feet on the surface from the Federal property boundary unless otherwise approved by the authorized officer of the BLM in consultation with the COE. No surface occupancy will be permitted within 100 feet of the meander line of an intermittent stream in a zone extending out 100 feet on the surface from the Federal property boundary unless otherwise approved by the authorized officer of the BLM in consultation with the COE (Standard Army Mineral Lease Stipulation #21).

Oil and gas lessees will be liable for pollution or other damages, as a result of their operations, to Government owned lands and property and to the property of the Government's authorized surface user (Standard Army Mineral Lease Stipulation # 24).

BLM Lease Notice No. 1

- 1) Based on COE standard stipulations, BLM will not approve operations that involve installation of permanent above ground structures at or below the full-pool elevation of 904.0 feet. These structures include, but are not necessarily limited to, wellhead and associated artificial lift equipment, tank batteries (oil and brine storage tanks, separators, meters) and gas compressors.
- 2) In compliance with Executive Order 11990, Protection of Wetlands, development in wetlands must be avoided wherever there is a practicable alternative.
- 3) In compliance with Executive Order 11988, Floodplain Management, development in floodplains must be avoided wherever there is a practicable alternative.
- 4) BLM will not allow any well located adjacent to COE or Ohio Department of Natural Resources (ODNR) developed recreation areas to be drilled, plugged back, or deepened during the time period beginning on Friday of the Memorial Day holiday weekend through Monday of the Labor Day holiday weekend.
- 5) BLM will not allow well servicing operations or workover procedures to be conducted on any producing well located adjacent to COE and ODNR developed recreation areas between 10:00 p.m. and sunrise from Memorial Day to Labor Day.
- 6) Lessees/operators will be required to conduct water well testing prior to any operations. Specific water well testing requirements will be developed at the time an oil and gas well is proposed. BLM will select four nearby wells to be sampled and tested. Samples shall be collected in approved containers and tested in laboratories using Ohio Environmental Protection Agency's test methods, including appropriate quality assurance/quality control, and parameters would have errors not to exceed percentages defined by method and concentration. The tests will include, but not be limited to, testing for the presence of: carbonates and bicarbonates (mg/l); filtered sample for water soluble barium (filtered unpreserved sample) (µg/l); calcium (mg/l); chloride (mg/l); magnesium (mg/l); potassium (mg/l); sodium (mg/l); sulfate (mg/l); and residue as total filterable residue (mg/l). Test results will be filed with the BLM and Ohio Department of Natural Resources, Groundwater Protection Section, and the township Zoning Inspector, if applicable.
- 7) Proposed well location and associated facilities will not be approved if within one-half mile of an active bald eagle nest or an established bald eagle nesting territory.

- 8) Within potential Indiana bat habitat, suitable maternity roost trees (cavities and/or exfoliating bark) shall be avoided, if possible. If such trees must be removed, they cannot be cut down between the period of April 15 through September 15. If potential roost trees are present and the time restriction is unacceptable, mist net surveys, or other surveys, should be conducted to determine if bats are present. If the survey determines that Indiana bats do not inhabit the area, the identified trees may be cut down any time of year. Lessees/operators would be responsible for contracting completion of surveys.
- 9) Disturbances in massasauga rattlesnake habitat shall be avoided, if possible. Seasonal restrictions may be applied. Site inspections will be made to determine the potential for the presence of the massasauga or its habitat. If indicated, a survey would be required to document that the massasauga does not inhabit the area. If it is determined that the massasauga is present or potential habitat exists, surface disturbance will not be permitted from mid April through the end of October. Surface disturbance will also not be permitted if a site is identified as massasauga winter habitat. Lessees/operators would be responsible for contracting completion of surveys.
- 10) BLM will not allow any producing well located adjacent to COE or ODNR developed recreation areas to emit noise which, when measured at the nearest developed recreation area, exceeds 45 dB(A).
- 11) BLM will require special noise reduction measures for well drilling, completion and production operations proposed adjacent to noise sensitive areas including, but not limited to, residences or residential allotments, the Bazetta Township Park, the Lakeview Local School District property, the COE operations area or hiking trails on COE or State lands.
- 12) Existing information and consultation with the State Historic Preservation Officer indicates that cultural resources surveys will be required prior to any surface disturbing activities.